CABLE AND WIRELESS LIMITED

Accounts for the Year Ended 31st March, 1960

TOGETHER WITH REPORT OF THE DIRECTORS

Presented to Parliament by the Postmaster General by Command of Her Majesty
July 1960

DOCUMENTS DIVISION
JUL 25 1961
FLA. STATE UNIVERSITY LIBRARY
TALLAHASSEE, FLORIDA

LONDON
HER MAJESTY'S STATIONERY OFFICE
PRICE 1*s.* 6*d.* NET

Cmnd. 1116

CABLE AND WIRELESS LIMITED

Court of Directors

Chairman

SIR GODFREY HERBERT INCE, G.C.B., K.B.E., B.Sc., LL.D.

Managing Directors

NORMAN CHARLES CHAPLING, C.B.E.

HENRY HOWARD EGGERS, C.M.G., O.B.E.

Directors

HAROLD CAREW BAKER, O.B.E.

JOHN FLETCHER, C.B.E.

REGINALD JOHN HALSEY, C.M.G., B.Sc., F.C.G.I., D.I.C., M.I.E.E.

JOHN KEITH HORSEFIELD, C.B.

COLONEL DONALD MCMILLAN, C.B., O.B.E., B.Sc., M.I.E.E.

Secretary

RONALD H. HENSMAN, F.C.I.S.

REPORT OF THE DIRECTORS

1. In presenting the Consolidated Accounts of the Group and the Balance Sheet of Cable and Wireless Limited at 31st March, 1960, the Directors submit the following report concerning the Group's affairs.

2.

	£	£
Compared with the previous year the profit is higher by £65,564 at		3,432,545
The following appropriations from the profit have been made or are recommended:		
Taxation	1,479,622	
Tax relief on Investment Allowances to Capital Reserve	9,300	
Provision against cost of British Government and other Securities	200,000	
Staff Pensions	300,000	
Provision towards Depreciation of Cables	400,000	
General Reserve	220,000	
Dividend at 4 per cent., less Income Tax	735,000	
		3,343,922
Balance		88,623
Brought forward		669,181
Carried forward to next account		£757,804

3. CONSOLIDATED PROFIT AND LOSS ACCOUNT

The following comments relate to some of the more important features:

(*a*) MESSAGES, WAYLEAVES AND TELEPHONE RECEIPTS. Message receipts show an overall reduction, the growth element being more than offset by various factors including refunds to other carriers of amounts over-credited in earlier years, provisions for contingencies, and exchange depreciation in certain countries.

(*b*) SUNDRY RECEIPTS. The Company further increased its liquid holdings.

(*c*) DEPRECIATION. Depreciation is lower this year, as a special provision of £250,000 last year was non-recurrent.

(*d*) TAXATION. Taxation is lower this year primarily as a result of the reduced profit of the one Company in the Group which is not an Overseas Trade Corporation.

(*e*) BRITISH GOVERNMENT AND OTHER SECURITIES. The appropriation of £200,000 made against the value of British Government and other Securities represents broadly the fall in market values during the year.

(*f*) SPECIAL APPROPRIATION FOR DEPRECIATION OF CABLES. This appropriation has been made towards meeting premature obsolescence of the system.

4. CONSOLIDATED BALANCE SHEET

(*a*) FIXED ASSETS. £552,000 was spent on cable renewals, £979,000 on renewals and expansion of plant, and £209,000 on land and buildings. Some £200,000 was expended on the first payment due on a new cable repair ship and £55,000 on the projected telephone cable between the United Kingdom and Canada.

(*b*) CURRENT ASSETS. Working Capital has increased by about £1,500,000.

No settlement has been made in respect of the Group's claim under the Anglo-Egyptian financial agreement for assets nationalized by the Egyptian Government.

5. TRAFFIC

At 440 million words the total telegraph traffic carried over the Company's system showed an overall increase of 4 per cent. compared with the previous year, the cheaper classes showing the largest increases. In the face of continued growth in use of leased circuits and telex this result is satisfactory and largely reflects improved trade in certain areas.

As was forecast last year the radiotelephone service has continued to expand and at 2,390,000 paid minutes radiotelephone traffic shows a 14 per cent. increase.

6. OPERATIONS

GENERAL.

Cable communication through Egypt is still interrupted but the Company has continued with the Egyptian authorities the exploratory talks concerning possible resumption of working.

No conclusion has yet been reached by the British Honduras Government in the negotiations on its invitation to the Company to take over external radio telecommunications in that country.

The Kenya Broadcasting Service, considerably developed from the modest organization taken over by the Company in 1931, was acquired by the Kenya Government on the 1st October, 1959.

Co-operation with the Radio Research Station at Slough, and other similar bodies has continued with test transmissions and measurements being made at various branches in the system.

Radio facilities have been expanded to meet increasing demands for radiotelephone, telex and leased circuit services; a direct Malta/Benghazi telegraph cable section has been established to improve the telegraph outlet from Cyrenaica.

LEASED CIRCUITS.

The demand for leased circuits has continued to increase and the field of interest in this facility is widening.

TELEX.

Following the inauguration of the London/Singapore telex service reported last year, a Far East network has been developed with world-wide connections.

During the year Nigeria has been connected to the international telex network via London.

Planning for further telex expansion continues.

RADIOTELEGRAPHY.

The demand for reception of radio-teleprinter press transmissions continued and several new services have been opened.

A direct radiotelegraph circuit has been established between Hong Kong and Sydney.

RADIOTELEPHONY.

Radiotelephone facilities have been further expanded by increasing the number of available channels and lengthening operating schedules on existing circuits and by interconnecting further services via main operating centres.

New direct radiotelephone services have been opened between Aden and Bahrain; Bahrain and Beirut; Barbados and Martinique; Dominica and St. Lucia; Hong Kong and Karachi; Hong Kong and Rangoon; Mauritius and Nairobi (with link to the United Kingdom); Nairobi and Addis Ababa; Nairobi and Khartoum; and between Suva and Wellington.

PHOTOTELEGRAPHY.

A new direct phototelegraph service has been opened between Accra and Lagos.

7. MAINTENANCE AND IMPROVEMENT OF SYSTEM

Some 1,400 nautical miles of telegraph cable were expended on major renewals and repairs, about one-third of the quantity used last year. This reflects the elimination of the backlog of work outstanding after the 1939–45 war and a conservative approach to major telegraph cable renewals in the light of telephone cable development.

1,080 n/ms of telegraph cable were purchased during the year and 553 n/ms were made at the Company's Singapore factory.

Much has continued to be done to increase the efficiency and capacity of the system; some of the more important items are mentioned in the following paragraphs.

The demand for telephone capacity between Bermuda and the United States is increasing so rapidly that the Company has reached agreement with the American Telephone and Telegraph Company for laying an 80-voice channel

lightweight telephone cable between those two points before the end of 1961. The new system will be owned in equal shares by the two companies and the first orders for equipment have already been placed.

Manufacture of the cable and repeaters for the new telephone cable to be laid next year between Canada and the United Kingdom as a joint venture between the Canadian Overseas Telecommunication Corporation and the Company is now under way. This cable will be the first link in the Commonwealth telephone cable system approved in principle by the Commonwealth Trade and Economic Conference held in Montreal in September, 1958.

Major development in the West Indies is going ahead as forecast last year. The tropospheric scatter radio link between Trinidad and Barbados will be in service later this year; the building works for both the new central office and the new transmitting station at Jamaica will be completed in the next few months and the associated engineering installation can then be completed. The new inter-island VHF combined radiotelephone/radiotelegraph network is progressing as planned.

The Company's new system of handling telegraph traffic (GRID), after its successful introduction reported last year, has now been installed at Aden, resulting in the expected increase in efficiency. Further branches operating under similar conditions are to be equipped with GRID as the opportunity offers.

Reorganization of central offices at various branches throughout the system is proceeding and organization and methods visits to branches are producing tangible results in standards and efficiency.

At Lagos, the Company's central office has been extended and a town office is being opened in the business centre; the London/Lagos radiotelegraph circuit has been converted to protected 5-unit working as part of a major re-equipment programme; and a site is being purchased so that a separate radio transmitting station can be established leaving the present joint transmitting/receiving station as a receiving station only.

London/Capetown and part of the telegraph cable system east of Singapore will be converted to 5-unit working later this year.

The Deskfax system of direct transfer of messages between customer and central office by facsimile having proved successful in San Juan, Puerto Rico, similar equipment is being installed at Bermuda and consideration is being given to its wider use.

8. DEVELOPMENT

Development work in the laboratories and workshops during the year in many fields has included the application of electronic techniques, including the use of transistors, to telegraph working.

The main field of the Company's development work continues to be that of 5-unit operation: a working model of a semi-automatic telegraph exchange has been successfully completed; the next step is to develop and manufacture a full scale system for installation at a chosen branch.

9. INTERNAL TELEPHONE SYSTEMS

There has been continued expansion of the telephone systems at Bahrain and Doha to meet rising demand and plans are in hand for an expansion of the Seychelles system.

The negotiations on the British Honduras Government's invitation to the Company to rebuild and manage the local telephone system at Belize have not yet been completed.

10. SPECIAL EVENTS

The Company made arrangements to cover, amongst other special events, the visits of H.R.H. The Duke of Edinburgh to Ghana; the Prime Minister to Africa; President Eisenhower to Asia, Europe and South America; and the M.C.C. cricket tour of the West Indies.

11. CABLE SHIPS

The Company's fleet has been maintained in good condition and has given satisfactory service on cable repair, recovery, and laying operations, both on the Company's system and on charter.

In accordance with the decision reported last year the fleet was reduced from eight to seven vessels in August, 1959, by the withdrawal from service of the c.s. " Electra " which is not being replaced.

The first step in the Company's ship replacement programme was taken in October, 1959, when an order was placed for a new cable repair ship of about 4,000 tons gross to be delivered in February, 1961. When this ship comes into service the c.s. " Retriever " will be withdrawn.

To ensure that the development of the Commonwealth telephone cable system goes forward with all speed and to meet other requirements, it has been decided that the Company should build a large cable laying ship of over 7,000 tons gross designed and equipped to lay all types of cable and repeaters. The specification for this vessel is almost complete and will be put out to tender very shortly.

12. STAFF

Salaries and wages continued to rise and the year's increase in terms of sterling was about 6 per cent., a figure which would have been greater but for the depreciation of certain currencies.

The number of employees in the Group's service shows little change at 9,962—an increase of 68.

The Company's progress has depended, as always, on the interest, efficiency and team-work of the staff who have upheld the high tradition of the service

throughout the year; and the happy relationship between management, staff and unions has been maintained.

13. PRESENT AND FUTURE

Last year's trading results were again good; the current financial year has commenced favourably and results are expected to be equally satisfactory provided no unforeseen development occurs.

Reference was made last year to the responsibility delegated to the Company for the United Kingdom's share in financing, laying and maintaining the new Commonwealth telephone cable system and to the partnership established between the Company and the General Post Office. The first action under these arrangements has now been taken in connection with a telephone cable to be laid between Australia, New Zealand and Canada; this cable will be the second link in the Commonwealth " round the world " network and will be connected by an overland system across Canada with Cantat (the new telephone cable to link Canada and the United Kingdom). The recommendations of a conference held in Sydney in October, 1959, for a jointly-owned Commonwealth trans-Pacific telephone cable were accepted by the Governments of Australia, Canada, New Zealand and the United Kingdom and a Management Committee of five is now carrying the project forward on behalf of the four partners (The Overseas Telecommunications Commission (Australia), the Canadian Overseas Telecommunication Corporation, the New Zealand Post Office, and the Company). The Company and the General Post Office represent the United Kingdom on this Committee. It is expected that the Tasman section of the new cable will be in service by the end of 1962 and the whole system during 1964; the cost of this new cable is estimated at over £26 million, the United Kingdom's share to be contributed by the Company being £8·3 million.

The step-by-step replacement of the existing system either by telephone cables or multi-channel radio links was foreshadowed last year. This process is gathering momentum. Faced with heavy capital commitments and the need to make provision for premature obsolescence, it is imperative for the Company to conserve its resources. Only in this way will the Company be able to maintain its paramount position in the field of world-wide telecommunications services.

14. DIRECTORS

Mr. J. Fletcher, C.B.E., and Mr. H. C. Baker, O.B.E., were appointed Directors on the 1st October, 1959, and 1st March, 1960, respectively.

In accordance with Article 82A of the Company's Articles of Association, all the Directors retire at the forthcoming Annual General Meeting, and, being eligible, offer themselves for re-election.

15. SECRETARY

Mr. F. H. Lansbury, O.B.E., F.C.I.S., who had been Secretary of the Company since the 1st January, 1947, relinquished his position on the 31st January, 1960, and was succeeded by Mr. R. H. Hensman, F.C.I.S.

16. AUDITORS

The Auditors, Messrs. Deloitte, Plender, Griffiths and Company, express their willingness to continue in office and a Resolution confirming their re-appointment and fixing their remuneration will be submitted to the Annual General Meeting.

By Order of the Court of Directors,

GODFREY H. INCE,
Chairman.

MERCURY HOUSE,
110/124, THEOBALDS ROAD,
LONDON, W.C.1.

4th July, 1960.

REPORT OF THE AUDITORS

TO THE MEMBERS OF CABLE AND WIRELESS LIMITED

We have examined the annexed Balance Sheet and have obtained all the information and explanations which we considered necessary for our audit. In our opinion proper books of account have been kept by the Company and proper returns adequate for the purposes of our audit have been received from branches none of which has been visited by us, and the Balance Sheet which is in agreement with the books and returns, complies with the Companies Act, 1948, and gives a true and fair view of the state of the Company's affairs at 31st March, 1960.

We have also examined the Consolidated Accounts of the Company and its subsidiaries with the accounts of those Companies, one of which has not been audited. Subject to this, in our opinion, the Consolidated Balance Sheet and Consolidated Profit and Loss Account comply with the Companies Act, 1948, and respectively give a true and fair view of the state of affairs at 31st March, 1960, and of the profit for the year ended on that date of the Company and its subsidiaries so far as concerns the members of the Company.

DELOITTE, PLENDER, GRIFFITHS & CO.,
Chartered Accountants.

5, LONDON WALL BUILDINGS,
LONDON, E.C.2.

4th July, 1960.

EXPLANATORY NOTES TO ACCOUNTS

GENERAL.

1. Fixed Assets acquired with foreign currency are included in the Balance Sheets at rates of exchange ruling at the time of acquisition.

2. Current Assets and Liabilities in foreign currencies are included at rates of exchange ruling at 31st March, 1960 (or at the appropriate lower rate of remittance to London).

3. Outstanding commitments on capital account of Cable and Wireless Limited amount to £1, 972,000 and of the Group of Companies to £4,933,168, being mainly in respect of cable and plant.

4. The accounts of a Subsidiary Company have not been included in the consolidation on the grounds that the result would be misleading. The Board of Trade have directed that a statement under paragraph 15 (4) (*b*) and (*c*) of the Eighth Schedule to the Companies Act, 1948, shall not be required.

5. SURPLUS ON REALISATION OF ASSETS AND OTHER CAPITAL RESERVES—

	Consolidated Balance Sheet	Cable and Wireless Ltd. Balance Sheet
	£	£
Balance per last account	5,910,515	5,238,646
Appropriation from Profit and Loss Account being remission of taxation in respect of Investment Allowance	9,300	—
Capital profits arising on realisation of fixed assets during the year	73,444	56,128
Balance at 31st March, 1960	£5,993,259	£5,294,774

6. INCREASED COST OF RENEWALS OF CABLES, SHIPS, WIRELESS AND TELEPHONE ASSETS—

	Consolidated Balance Sheet	Cable and Wireless Ltd. Balance Sheet
	£	£
Balance per last account	4,200,878	4,090,399
Additions during the year	544,000	533,981
Balance at 31st March, 1960	£4,744,878	£4,624,380

Of the additions during the year:—

(i) £300,000 (*1959, £300,000*) has been charged as a supplement to depreciation to build up capital reserves towards the cost of renewing the existing capacity of the cable system at current prices.

(ii) The amount set aside for Ships, Wireless and Telephone Assets is the approximate sum by which depreciation would have been increased had it been calculated on current replacement costs and, in respect of ships, an addition towards the deficiency in total reserve.

7. FUTURE UNITED KINGDOM INCOME TAX—

	Consolidated Balance Sheet £	Cable and Wireless Ltd. Balance Sheet £
Income Tax assessable in 1960/61	387,336	26,000
Amount set aside by a Subsidiary Company in respect of tax deferred by reason of the excess of Capital Allowances over depreciation provided (*1959, £200,000*)	200,000	—
Balance at 31st March, 1960	£587,336	£26,000

Arising out of the Finance Act, 1957, Cable and Wireless Limited and five Subsidiary Companies qualify as Overseas Trade Corporations.

8. RECONCILIATION OF PROVISIONS—

	Consolidated Balance Sheet £	Cable and Wireless Ltd. Balance Sheet £
(*a*) RENEWAL OF CABLE STATIONS AND LANDLINES.		
Balance per last account	1,011,967	958,484
Applied towards cost of renewals, etc., during the year	112,067	101,348
	899,900	857,136
Provided this year	268,146	230,768
Balance at 31st March, 1960	£1,168,046	£1,087,904
(*b*) DEFERRED AND OTHER REPAIRS.		
Balance per last account	609,635	609,635
Provision no longer required transferred to Depreciation of Cables	38,800	38,800
	570,835	570,835
Applied towards cost of repairs to cables and ships during the year	125,313	125,313
	445,522	445,522
Provided this year	91,941	91,941
Balance at 31st March, 1960	£537,463	£537,463
(*c*) STAFF PENSIONS.		
Balance per last account	700,000	700,000
Applied in discharge of liability in respect of staff previously transferred to General Post Office ..	230,595	230,595
	469,405	469,405
Provided this year	300,000	300,000
Balance at 31st March, 1960	£769,405	£769,405

9. Directors' emoluments charged during the year amounted to:—

	1960	*1959*
	£	£
Director's fees	1,000	*1,000*
Emoluments to Directors	14,735	*11,482*
Pensions paid to retired Directors (*1959 included cost of funding liability with Trustee Fund in respect of one retired Director*)	1,567	*18,667*
	£17,302	*£31,149*

10. RENEWAL AND DEPRECIATION OF FIXED ASSETS—

Replacement of Freehold and Leasehold Buildings, Landlines, Plant and Furniture forming part of the Cable System is provided by charging the cost of replacements to Profit and Loss Account or in appropriate cases to Provision for Renewal.

The book values of Assets included in the schedules of Fixed Assets (page 21) so dealt with are—

	1960	*1959*
	£	£
Cable and Wireless Limited and Subsidiary Companies—		
Aggregate cost	2,988,732	*2,846,786*
Cable and Wireless Limited—		
Aggregate cost	1,338,166	*1,263,789*

Provision for Depreciation of Cables is provided on the basis of the average annual expenditure of cable estimated to be necessary to maintain the system after deducting the cable laid into the system during the year upon repairs and minor renewals, the cost of which is charged direct to Profit and Loss Account.

The amount thus arrived at is supplemented by £325,000 (*1959, £371,571 plus a special £250,000*) to cover actual or expected instances of cables withdrawn from service prematurely. In addition to this provision made in Profit and Loss Account a special appropriation of £400,000 (Cable and Wireless, Ltd. £100,000) has been made to the same general end.

1959			1960	
£	£		£	£
		CAPITAL AUTHORISED AND ISSUED OF CABLE AND WIRELESS LIMITED—		
	30,000,000	30,000,000 Shares of £1 each fully paid ..		30,000,000
		CAPITAL RESERVES—		
5,910,515		Surplus on Realisation of Assets and other Capital Reserves (NOTE 5)	5,993,259	
4,200,878		Increased Cost of Renewals of Cables, Ships, Wireless and Telephone Assets (NOTE 6) ..	4,744,878	
	10,111,393			10,738,137
		REVENUE RESERVES—		
1,575,643		General Reserve	1,795,643	
669,181		Profit and Loss Account	757,804	
	2,244,824			2,553,447
	42,356,217			43,291,584
	711,203	FUTURE UNITED KINGDOM INCOME TAX— (NOTE 7)		587,336
		PROVISION FOR—(NOTE 8)—		
1,011,967		Renewal of Cable Stations and Landlines ..	1,168,046	
609,635		Deferred and other Repairs	537,463	
700,000		Staff Pensions	769,405	
	2,321,602			2,474,914
		CURRENT LIABILITIES—		
1,461,470		Taxation, United Kingdom and Abroad ..	1,393,100	
4,756,570		Traffic and other Creditors	4,547,303	
735,000		Proposed Dividend of Cable and Wireless Limited, *less* Income Tax	735,000	
	6,953,040			6,675,403
	£52,342,062			£53,029,237

For Explanatory Notes to Accounts see pages 11, 12 and 13

AND SUBSIDIARY COMPANIES

SHEET, 31st MARCH, 1960

1959			1960	
£	£		£	£
		FIXED ASSETS—		
	25,459,808	Cables, Land, Buildings, Plant, Ships and Landlines (See detailed Schedule on page 21)		25,310,786
	355,607	Shares in a Subsidiary Company (not consolidated) at cost		355,607
200,005		Investments in Traffic and other Companies at cost	200,990	
120,000		*Less :* Provision	120,000	
	80,005			80,990
	25,895,420			25,747,383
		CURRENT ASSETS—		
3,276,378		Stock of Cable and other Stores	3,258,693	
4,554,231		Traffic and other Debtors (*less* provision for doubtful debts)	3,840,942	
4,681		Amount due from a Subsidiary Company (not consolidated)	5,701	
11,010,775 (m.v. £*10,448,219*)		British Government and other Securities (market value £10,219,052)	10,779,763	
6,000,000		Loans to Corporations	7,906,000	
1,600,577		Balances at Bankers and Cash in Hand— United Kingdom and Abroad	1,490,755	
	26,446,642			27,281,854
£52,342,062				£53,029,237

GODFREY H. INCE,
N. C. CHAPLING,
H. H. EGGERS,
Directors.

H. G. THOMAS, *Chief Accountant.*

CONSOLIDATED PROFIT AND LOSS

1959			1960	
£	£		£	£
	5,695,275	Working Expenses at Stations		5,947,287
	1,989,220	Maintenance of Cables (including Expenses of Ships and Provision) (NOTE 8 (*b*)).. ..		1,757,870
	764,725	General Administration		811,988
	102,699	Rent and Payment for Cables and Landlines ..		102,219
	997,682	Pension Funds and Payments to Retired Staff		1,057,299
2,049,035		Depreciation	1,718,631	
269,334		Renewal of Cable Stations and Landlines ..	268,146	
556,815		Increased Cost of Renewals of Cables, Ships, Wireless and Telephone Assets (NOTE 6) ..	544,000	
	2,875,184			2,530,777
	12,424,785			12,207,440
	3,366,981	Profit after reserve for increased cost of renewals		3,432,545
	£15,791,766			£15,639,985

1959			1960	
£	£		£	£
		Taxation on the profit for the year— United Kingdom — including taxation abroad applied in relief of United Kingdom Tax—		
201,250		Profits Tax	189,468	
1,033,768		Income Tax	923,144	
389,482		Abroad—not relieved in the United Kingdom	367,010	
	1,624,500			1,479,622
	150,000	*Equalisation of United Kingdom Taxation relating to earlier years*		—
	—	Capital Reserve in respect of Tax Relief on Investment Allowances		9,300
	250,000	Appropriation against cost of Investments in British Government and other Securities		200,000
	300,000	Special Appropriation for Staff Pensions ..		300,000
	—	Special Appropriation for Depreciation of Cables		400,000
	250,000	Appropriation to General Reserve		220,000
	735,000	Proposed Dividend of Cable and Wireless Limited, *less* Income Tax..		735,000
	3,309,500			3,343,922
	669,181	Balance—shown on Balance Sheet		757,804
	£3,978,681			£4,101,726

For Explanatory Notes to Accounts see pages 11, 12 and 13.

AND SUBSIDIARY COMPANIES

ACCOUNT for year ended 31st MARCH, 1960

1959			1960	
£	£		£	£
15,203,052		Messages, Wayleaves and Telephone Receipts (after deducting adjustments relating to earlier years)	14,909,752	
458,092		*Deduct :* Outpayments to Governments for Taxes..	428,428	
	14,744,960			14,481,324
	672,162	Sundry Receipts and Interest		785,643
		Interest and Dividends gross from:		
37,021		Shares in a Subsidiary Company (not consolidated)	37,567	
17,355		Investments in Traffic and other Companies	15,736	
320,268		British Government and other Securities ..	319,715	
	374,644			373,018
	£15,791,766			£15,639,985

1959		1960
£		£
3,366,981	Balance brought down	3,432,545
611,700	Balance brought forward from 1959	669,181

The amount of the profit dealt with in the accounts of Cable and Wireless Limited is set out on page 20.

£3,978,681		£4,101,726

1959			1960	
£	£		£	£
		CAPITAL—		
	30,000,000	Authorised and Issued 30,000,000 Shares of £1 each fully paid		30,000,000
		CAPITAL RESERVES—		
5,238,646		Surplus on Realisation of Assets and other Capital Reserves (NOTE 5)	5,294,774	
4,090,399		Increased Cost of Renewals of Cables, Ships, Wireless and Telephone Assets (NOTE 6) ..	4,624,380	
	9,329,045			9,919,154
		REVENUE RESERVES—		
1,420,000		General Reserve	1,500,000	
162,581		Profit and Loss Account	205,837	
	1,582,581			1,705,837
	40,911,626			41,624,991
	44,585	FUTURE UNITED KINGDOM INCOME TAX (NOTE 7)		26,000
		PROVISION FOR—(NOTE 8)—		
958,484		Renewal of Cable Stations and Landlines ..	1,087,904	
609,635		Deferred and other Repairs	537,463	
700,000		Staff Pensions	769,405	
	2,268,119			2,394,772
		CURRENT LIABILITIES —		
1,225,959		Taxation, United Kingdom and Abroad ..	1,181,568	
3,837,133		Traffic and other Creditors	3,757,376	
997,020		Amounts due to Subsidiary Companies ..	1,114,008	
735,000		Proposed Dividend, *less* Income Tax ..	735,000	
	6,795,112			6,787,952
	£50,019,442			£50,833,715

For Explanatory Notes to Accounts see pages 11, 12 and 13.

WIRELESS LIMITED

31*st MARCH*, 1960

1959			1960	
£	£		£	£
		FIXED ASSETS—		
	15,389,079	Cables, Land, Buildings, Plant, Ships and Landlines (see detailed Schedule on page 21)		15,417,693
		Subsidiary Companies, at cost, *less* provision and amount written off		
7,931,589		Shares	7,931,589	
2,398,177		Advances	2,389,677	
	10,329,766			10,321,266
		Investments in Traffic and other Companies		
200,005		at cost	200,990	
120,000		*Less :* Provision	120,000	
	80,005			80,990
	25,798,850			25,819,949
		CURRENT ASSETS—		
3,274,162		Stock of Cable and other Stores	3,256,201	
3,050,304		Traffic and other Debtors (*less* provision for doubtful debts)	2,338,635	
559,720		Amounts due from Subsidiary Companies ..	454,809	
200,000		Proposed Dividend from a Subsidiary Company (nett)	200,000	
10,085,189 (m.v. £*9,516,576*)		British Government and other Securities (market value £9,313,236)	9,863,234	
6,000,000		Loans to Corporations	7,900,000	
1,051,217		Balances at Bankers and Cash in Hand— United Kingdom and Abroad	1,000,887	
	24,220,592			25,013,766
£50,019,442				£50,833,715

GODFREY H. INCE,
N. C. CHAPLING, } *Directors.*
H. H. EGGERS,

H. G. THOMAS, *Chief Accountant.*

APPROPRIATION ACCOUNT OF CABLE AND WIRELESS LIMITED

FOR YEAR ENDED 31st MARCH, 1960

	1960	*1959*
	£	£
Surplus shewn in Profit and Loss Account for year, after appropriations for taxation	1,458,256	*1,400,254*
Deduct :		
Appropriation against cost of Investments in British Government and other Securities	200,000	*174,288*
Special Appropriation for Staff Pensions	300,000	*300,000*
Special Appropriation for Depreciation of Cables ..	100,000	—
Appropriation to General Reserve	80,000	*250,000*
	778,256	*675,966*
Deduct :		
Proposed Dividend, *less* Income Tax	735,000	*735,000*
Credit ..	43,256	*Debit 59,034*
Balance brought forward from last year	162,581	*221,615*
Balance carried forward to next account	£205,837	*£162,581*

CABLE AND WIRELESS LIMITED AND SUBSIDIARY COMPANIES

SCHEDULE OF FIXED ASSETS, 31st MARCH, 1960

	1960			*1959*		
	Cost	Provision for Depreciation to Date	Nett Book Value	*Cost*	*Provision for Depreciation to Date*	*Nett Book Value*
	£	£	£	£	£	£
Cables	27,183,008	10,662,414	16,520,594	*26,700,680*	*9,043,518*	*17,657,162*
Freehold Land and Buildings..	2,949,819	172,594	2,777,225	*2,825,622*	*151,400*	*2,674,222*
Leasehold Land and Buildings	972,753	52,939	919,814	*924,492*	*32,263*	*892,229*
Plant, Furniture and Instruments	5,503,298	2,100,563	3,402,735	*4,585,141*	*1,857,610*	*2,727,531*
Cable Ships	2,279,204	939,864	1,339,340	*2,189,797*	*1,001,239*	*1,188,558*
Landlines	351,078	—	351,078	*320,106*	—	*320,106*
	£39,239,160	£13,928,374	£25,310,786	*£37,545,838*	*£12,086,030*	*£25,459,808*
Nett Totals per Balance Sheet			£25,310,786			*£25,459,808*

Reference to Renewal and Depreciation of above assets is made in Note 10.

(80406) Wt. 366/31/37725 K 11 8/60 Hw.

CABLE AND WIRELESS LIMITED

SCHEDULE OF FIXED ASSETS, 31st MARCH, 1960

	1960			*1959*		
	Cost	Provision for Depreciation to Date	Nett Book Value	*Cost*	*Provision for Depreciation to Date*	*Nett Book Value*
	£	£	£	£	£	£
Cables	15,977,857	6,295,861	9,681,996	*15,902,291*	*5,483,512*	*10,418,779*
Freehold Land and Buildings..	1,412,238	112,020	1,300,218	*1,342,608*	*97,958*	*1,244,650*
Leasehold Land and Buildings	534,219	28,653	505,566	*485,958*	*13,455*	*472,503*
Plant, Furniture and Instruments	4,128,940	1,599,667	2,529,273	*3,421,099*	*1,412,671*	*2,008,428*
Cable Ships	2,279,204	939,864	1,339,340	*2,189,797*	*1,001,239*	*1,188,558*
Landlines	61,300	—	61,300	*56,161*	—	*56,161*
	£24,393,758	£8,976,065	£15,417,693	*£23,397,914*	*£8,008,835*	*£15,389,079*
Nett Totals per Balance Sheet			£15,417,693			*£15,389,079*

Reference to Renewal and Depreciation of above assets is made in Note 10.

Printed and published by

HER MAJESTY'S STATIONERY OFFICE
To be purchased from
York House, Kingsway, London w.c.2
423 Oxford Street, London w.1
13A Castle Street, Edinburgh 2
109 St. Mary Street, Cardiff
39 King Street, Manchester 2
Tower Lane, Bristol 1
2 Edmund Street, Birmingham 3
80 Chichester Street, Belfast 1
or through any bookseller

Printed in England